



November 1, 2006

Dear Milwaukee County Employee or Retiree:

Milwaukee County has made the decision to change from a fully insured medical plan to a self-funded medical plan retroactive to January 1, 2006. What this means to you is that all medical expenses covered under your health plan are paid for by Milwaukee County. This self-funded health plan will be administered by WPS.

Your medical plan benefits will stay the same as those now in effect. However, because of the change to a self-funded plan, some of the provisions required by State of Wisconsin law to be included in a fully insured policy have been removed. The provisions that have been removed are:

- Continuity of care. This provision allowed for participants to continue to see providers who are removed from the network due to that provider changing networks or leaving the network. The removal of this provision will have little effect on participants because the networks offered to Milwaukee County are very stable with minimal movement of providers.
- Extension of benefits when policy terminates. This provision would have only applied if Milwaukee County had discontinued any type of medical coverage plan for its employees. There is no impact on participants by removing this provision.
- State continuation. This continuation right is required by the State of Wisconsin for fully insured plans. This continuation right has been removed and is being replaced with the federal continuation privilege under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA.) Since COBRA and state continuation run concurrently and COBRA would have been offered before state continuation, benefits under the state continuation would have been exhausted before COBRA. There is no impact to participants due to the removal of the state continuation provision.
- Conversion privilege. This is a State of Wisconsin mandate for fully insured plans which allowed a participant who lost coverage to apply for our conversion policy within 31 days of losing their coverage. Under the self-funded plan, these participants receive COBRA, and at the end of that continuation period, they may apply for individual coverage through any insurance company. If they are not approved, they have the option of applying for coverage through the State of Wisconsin Health Insurance Risk-Sharing Plan (HIRSP).
- Grievance procedure. The grievance procedure required by the State of Wisconsin was removed and replaced with our standard appeal procedure for all self-funded plans. Each participant has an appeal right.
- Independent review. The Independent review option allowed for one additional review after the grievance process had been exhausted. This was also a provision required by the State of Wisconsin for fully insured medical plans, but does not apply to self-funded medical plans.

You will be keeping the member guides previously issued to you. Please add this notification to that member guide.

Your new Summary Plan Description will reflect the self-funded language references such as changing "member" to "participant", "you" to "a participant", "policy" to "Plan". Other than these changes and those listed above, your benefits will remain the same.

The new Summary Plan Description will be available on the internet at www.wpsic.com by December 1, 2006. You may print out a copy of this book at any time, once it is available. Should you have any questions regarding any of the information provided to you in this notification, please do not hesitate to contact the WPS Milwaukee Service Center at 800-351-9946.

Sincerely,

A handwritten signature in cursive script that reads "Sharon Whitwam".

Sharon Whitwam
Vice President, Member Services

22616-021-0610